

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To: Pharmacies
All Prescribers
Managed Care Plans

Memorandum No: 05-62 MAA
Issued: June 30, 2005

From: Douglas Porter, Assistant Secretary
Medical Assistance Administration (MAA)

For Information Call:
(800) 562-6188

Subject: Prescription Drug Program: Drug Dispensing Fee Increase

Effective for dates of service on and after July 1, 2005, the Medical Assistance Administration (MAA) will implement a legislatively appropriated one (1.0) percent vendor rate increase for drug dispensing fees.

Rate for Drug Dispensing Fees

The 2005 Washington State Legislature appropriated a vendor rate increase of one (1.0) percent for the 2006 state fiscal year. Drug dispensing fees have been adjusted to reflect these changes.

The new drug dispensing fees are:

Effective 7/1/05

High volume pharmacies (over 35,000 Rx/yr)	\$4.24/Rx
Mid-volume pharmacies (15,001-35,000 Rx/yr)	\$4.56/Rx
Low volume pharmacies (15,000 Rx/yr and under)	\$5.25/Rx
Unit dose systems	\$5.25/Rx



Note: Volumes are based on **total** number of prescriptions per year, regardless of payer.

Bill MAA your usual and customary charge for the product you dispense. Reimbursement will be the lower of the billed charge or the maximum allowable fee.



Note: There are no changes to MAA's reimbursement for drug ingredient costs at this time.

Billing Instructions Replacement Pages

Attached are replacement pages I.7/I.8 for MAA's current *Prescription Drug Program Billing Instructions*.

MAA's Provider Issuances

To obtain DSHS/HRSA provider numbered memoranda and billing instruction, go to the DSHS/HRSA website at <http://hrsa.dshs.wa.gov> (click *the Billing Instructions and Numbered Memorandum* link). These may be downloaded and printed.

Tax

Tax is computed on items determined to be taxable according to the Washington State Department of Revenue.

Dispensing fees

[Refer to WAC 388-530-1450]

MAA uses a three-tier dispensing fee structure with an adjusted fee allowed for pharmacies that participate in the Modified Unit Dose and/or True Unit Dose programs.

Listed below are the MAA dispensing fee allowances (**effective 7/1/05**) for pharmacies:

- High-volume pharmacies (over 35,000 Rx/yr)\$4.24/Rx
- Mid-volume pharmacies (15,001-35,000 Rx/yr)\$4.56/Rx
- Low volume pharmacies (15,000 Rx/yr and under)\$5.25/Rx
- Unit dose systems\$5.25/Rx

A provider's dispensing fee is determined by the volume of prescriptions the pharmacy fills for MAA clients **and** the general public as indicated on the MAA annual prescription count survey completed by the pharmacy.

Return the Pharmacy Prescription Volume
Report to:

Provider Enrollment Unit
Division of Customer Support
PO Box 45562
Olympia, WA 98504-5562

REMEMBER to include MAA clients **and** the general public in your total prescription count.



Note: Sale or transfer of business ownership will invalidate your Core Provider Agreement. The new owner must call the Provider Enrollment Unit (see Important Contacts) to acquire a Core Provider Agreement.

Payment

Bill MAA only **after** you provide a service to an eligible client. Delivery of a service or product does not guarantee payment. For example, MAA does not make payment when:

- The request for payment is not presented within the 365 day billing limit.
- The service or product is not medically necessary or is not covered by MAA;
- The client has third party coverage and the third party pays as much as, or more than, MAA allows for the service or product;
- The service or product is covered in the managed care capitation rate;
- It is included in the Nursing Home per diem rate; or
- The client is no longer eligible for Medical Assistance.